Permit No. ST-7396
Issuance Date: August 9th, 2004
Effective Date: September 9th, 2004
Expiration Date: August 9th, 2009

STATE WASTE DISCHARGE PERMIT NUMBER ST-7396

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
Northwest Regional Office
3190 – 160th Avenue SE
Bellevue, WA 98008-5452

In compliance with the provisions of the
State of Washington Water Pollution Control Law
Chapter 90.48 Revised Code of Washington, as amended,
authorizes

NICHOLS BROTHERS BOAT BUILDERS, INC.
P. O. BOX 580
FREELAND, WA 98249

to discharge wastewater in accordance with the Special and General Conditions which follow.

Facility Location: 5400 S. Cameron Road Freeland, WA 98249 Island County Industry Type: Ship Construction and Repair SIC Code: 3731	Discharge Location: Legal Description : NW ¼ of Section 10, Township 29 N, Range 2E Latitude: 48° 01' 00" N Longitude: 122° 32' 20" W Water Quality Management Area: Island/Snohomish

Kevin C. Fitzpatrick
Water Quality Section Manager
Northwest Regional Office
Washington State Department of Ecology

TABLE OF CONTENTS

GENERAL CONDITIONS

SUMMARY OF PERMIT REPORT SUBMITTALS

Refer to the Special and General Conditions of this permit for additional submittal requirements.

Permit Section	Submittal	Frequency	First Submittal Date
S3.A.	Discharge Monitoring Report	Monthly	September 9, 2004
S4.A.	Operations and Maintenance Manual	1/permit cycle	May 1, 2007
S7.C	Solid Waste Control Plan Update	1/permit cycle	May 1, 2007
S9.	Spill Plan	1/permit cycle	May 1, 2007
S8.	Engineering Report	1/permit cycle	May 1, 2006
S12.	Best Management Practices/Pollution Prevention Plan	1/permit cycle	May 1, 2007
G7.	Application for Permit Renewal	1/permit cycle	February 9, 2009

SPECIAL CONDITIONS

S1. DISCHARGE LIMITATIONS

All discharges and activities authorized by this permit shall be consistent with the terms and conditions of this permit. The discharge of any of the following pollutants more frequently than, or at a concentration in excess of, that authorized by this permit shall constitute a violation of the terms and conditions of this permit.

Beginning on the effective date and lasting through the expiration date of this permit, the Permittee is authorized to discharge industrial stormwater and rinse water (yard cleaning, vessel hull wetting for pressure testing, deck and hull cleaning, and crawler rinse down) to ground water at the permitted location subject to the following limitations:

- Discharge of pressure wash wastewater is prohibited.
- Discharges of wastewater from cooking, dish washing, showers, hydrotesting of piping system and portable steaming and maintenance shops are prohibited.
- Marine water intrusions into the treatment vault are prohibited.
- Discharge of pressure wash wastewater is prohibited.
- Discharge of bilge and ballast water is prohibited.

Stormwater discharges shall not cause a visible change in turbidity, color, or cause a visible oil sheen in the infiltration basin.

S1A. INTERIM EFFLUENT LIMITS: WASTEWATER DISCHARGES TO GROUND

INTERIM EFFLUENT LIMITATIONS FOR GROUND WATER DISCHARGE	
Parameter	**Maximum Daily [b]**
Flow	Report
Oil and Grease	5 mg/L
Chromium TR [a]	20 µg/L
Copper TR [a]	140 µg/L
Lead TR [a]	30 µg/L
Zinc TR [a]	620.0 µg/L
pH	Between 6.5 and 8.5
[a] Total Recoverable [b] The maximum daily effluent limitation is defined as the highest allowable daily discharge. The daily discharge means the discharge of a pollutant measured during a calendar day.	

S1B. EFFLUENT LIMITATIONS FOR THE INFILTRATION BASIN

EFFLUENT LIMITATIONS FOR THE INFILTRATION BASIN			
Parameter	**Units**	**Sample Point**	**Permit Limit**
Oil and grease	visual	Infiltration basin	No visible sheen on infiltration basin
pH	Standard Units	Infiltration basin water	6.5 to 8.5
Infiltration Rate	inches/ hour	In-basin test	0.5 to 3.0
Cation exchange capacity	meq/g	Soil test	At least 5 meq/100 g
Depth to Ground Water Table	feet	Below Basin	At least 5 feet to high seasonal ground water table

S1C. FINAL INFILTRATION BASIN LIMITS

Following characterization of the effluent, the hydrologic connectivity test, the hydrogeologic study or construction and operation of the new wastewater treatment system, the Department may modify this permit to establish new effluent limits based on AKART or Water Quality Standards (including ambient ground water characterization), whichever is most stringent. If the test for hydrologic connection determines a connection between the infiltration basin and surface waters or sampling of the under-drain collector system is interrupted due to marine water intrusion, a new permit may be issued that authorizes discharges to surface water.

S2. MONITORING REQUIREMENTS

A. Stormwater and Wastewater Monitoring

The Permittee shall monitor the wastewater according to the following schedules:

OUTFALL 1* MONITORING REQUIREMENTS				
Parameter	**Units**	**Sample Point**	**Sampling Frequency**	**Sample Type**
Flow	gpd	End of pipe	April to Sept.: monthly October to March: weekly	Calculation
Oil and Grease [a]	mg/l	End of pipe	Twice per month	Grab

Total Dissolved Solids [i]	mg/l	End of pipe	Twice per month	Grab
Chromium TR [e]	µg/l	End of pipe	Twice per month	Grab
Copper TR [b]	µg/l	End of pipe	Twice per month	Grab
Lead TR [c]	µg/l	End of pipe	Twice per month	Grab
Zinc TR [d]	µg/l	End of pipe	Twice per month	Grab
Chloride [h]	mg/L	End of pipe	Twice per month	Grab
pH [g]	Standard Units	End of pipe	Twice per month	Grab
* Outfall 1 is located following vault and filter treatment prior to basin treatment.				

Key for Monitoring Tables:

[a] The method detection level (MDL) for oil and grease is 0.2 mg/L using trichlorotriflouroethane extraction and gravimetric analysis using EPA Method 413.1. The quantitation level (QL) for oil and grease is 1.0 mg/: (5 x MDL). An equivalent method is Method 1664 using normal hexane (n-hexane) as the extraction solvent in place of 1,1,2-trichloro-1,2,2-triflouroethane (CFC-113;Freon-113). An equivalent method is total petroleum hydrocarbons with a MDL of 0.1 mg/L using Gas Chromotography and Flame Ionization Detector (FID) and Method WTPH-Dx Diesel (WTPH-D) from Washington State Department of Ecology Method WTPH-D. The quantitation level (QL) for TPH-DX is 0.5 mg/L (5 x MDL).

[b] The method detection level (MDL) for copper is 1 µg/L using graphite furnace atomic absorption spectrometry and EPA Method 220.2. The quantitation level (QL) for copper is 5 µg/L (5 x MDL).

[c] The MDL for lead is 1 µg/L using graphite furnace atomic absorption spectrometry and EPA Method Number 239.2. The quantitation level (QL) for lead is 5 µg/L (5 x MDL).

[d] The MDL for zinc is 2 µg/L using inductively coupled plasma and EPA Method 200.7. The quantitation level (QL) for zinc is 10 µg/L (5 x MDL).

[e] The MDL for chromium is 1 µg/L using graphite furnace atomic absorption spectrometry and EPA Method 218.2 from Standard Methods for the Examination of Water and Wastewater, 18th Edition. The quantitation level (QL) for chromium is 5 µg/L (5 x MDL).

[f] Cation exchange capacity (CEC) shall be tested using EPA laboratory method 9081.

[g] pH shall be tested using Standard Method 4500-H+ B, or EPA Method 151.1

[h] Chloride shall be tested using Standard Method 4500 Cl- D or EPA Method 300.0.

[i] Total Dissolved Solids shall be tested using Standard Method 2540 C.

Note: Equivalent methods can be used providing the MDL and QL values are the same as those above.

OUTFALL 2* MONITORING REQUIREMENTS				
Parameter	**Units**	**Sample Point**	**Sampling Frequency**	**Sample Type**
Flow	gpd	End of pipe	April to Sept.: monthly October to March: weekly	Calculation
Oil and Grease [a]	mg/l	End of pipe	Twice per month	Grab
Total Dissolved Solids [i]	mg/l	Collector Drain	Twice per month	Grab
Chromium TR [e]	µg/l	Collector Drain	Twice per month	Grab
Copper TR [b]	µg/l	Collector Drain	Twice per month	Grab
Lead TR [c]	µg/l	Collector Drain	Twice per month	Grab
Zinc TR [d]	µg/l	Collector Drain	Twice per month	Grab
Chloride [h]	mg/L	Collector Drain	Twice per month	Grab
pH [g]	Standard Units	Collector Drain	Twice per month	Grab
*Outfall 2 is located underneath the treatment basin at the under-drain collector.				

B. Estimate of Pollutant Loading

The Permittee shall supply a calculated estimate of mass loading of chromium, copper, lead, and zinc to the infiltration basin quarterly. The estimate shall be based on the pollutant concentrations and total flow to the infiltration basin over the annual reporting period.

C. Infiltration Basin Monitoring

The Permittee shall monitor the infiltration basin according to the following schedule:

EFFLUENT MONITORING REQUIREMENTS FORTHE INFILTRATION BASIN				
Parameter	**Units**	**Sample Point**	**Sampling Frequency**	**Sample Type**
Oil and Grease	No visible sheen	Basin water	Daily	View
pH [g]	Standard Units	Basin water	Monthly	Grab
Infiltration rate***	Inches/ hour	In-basin test	**Quarterly Annually	Approved Test
Cation Exchange Capacity [f]	Meq/g	Soil test	Quarterly	See below*
Depth to Ground Water Table	feet	Below Basin	Quarterly	See **** Below
*The sample points shall be in the infiltration basin at four randomly spaced locations taken at depths between 12 and 18 inches from the soil surface. **If quarterly samples meet limits for one year, sampling shall change to annual. *** Nichols Brothers shall submit an approvable method to determine infiltration rate by September 1, 2004. ****NBBBI shall submit method for Approval by August 1, 2004.				

This permit may be modified to change sampling protocols based on the engineering designs and construction of the upgraded or new treatment system**.**

D. Overflow to Holmes Harbor

Currently NBBBI is authorized to discharge to surface water during infrequent overflows of the treatment vault and the infiltration basin under NPDES storm water permit number SO3-003161.

Since NBBBI has not reported and monitored for any discharges related to overflows within the last five years the Department concludes that it is unlikely to occur and requires NBBBI to design the new treatment system or upgrade the current system to prohibit overflows except when exceeding the 10-year 24-hour design storm. This is AKART as it has been achieved for the last five years at this facility and for the source category of Ship Building and Repair as demonstrated at Duwamish Shipyard, Puglia, FOSS Shipyard, Hansen Boat Company and TODD Pacific..

In the event of any release to surface waters or drainage ways connected to surface waters, the Permittee shall record the date, time, and duration of the overflow event immediately upon obtaining knowledge thereof (e.g., through the activation of the treatment vault system alarm if the event occurs during nonbusiness hours) and shall verbally report the release to the Department within 24 hours. This includes any stormwater or wastewater released from the treatment vault through the vault overflow pipe or over the spillway in the berm of the infiltration basin. For overflows occurring during business hours, the Permittee shall take one grab sample of the wastewater from the vault overflow pipe or spillway and submit it for analysis of all the parameters listed in S2.A (except flow). A written report on the overflow, including the results of the chemical analyses (for overflows occurring during normal business hours) and a detailed description of the cause of the overflow event, shall be submitted to the Department within thirty (30) days of the event or, if samples are taken, with the next monthly monitoring report following receipt of the chemical analyses.

E Marine Water Inflow

Intrusion of marine tidal water into the treatment vault and stormwater treatment basin is prohibited.

In the event of the influx of marine tidal waters into the stormwater collection and treatment system, the Permittee shall record the date, time, and duration of the incident, as well as an estimate of the quantity of water released to the infiltration basin. This shall be reported to the Department within 48 hours.

F Sampling and Analytical Procedures

Samples and measurements taken to meet the requirements of this permit shall be representative of the volume and nature of the monitored parameters, including representative sampling of any unusual discharge or discharge condition, including bypasses, upsets, and maintenance-related conditions affecting effluent quality.

Sampling and analytical methods used to meet the water and wastewater monitoring requirements specified in this permit shall conform to the latest revision of the *Guidelines Establishing Test Procedures for the Analysis of Pollutants* contained in 40 CFR Part 136 or to the latest revision of *Standard Methods for the Examination of Water and Wastewater* (APHA), unless otherwise specified in this permit or approved in writing by the Department of Ecology (Department).

Soil analysis and reporting will be in accordance with *Laboratory Procedures*, Soil Testing Laboratory, Washington State University, November, 1981. NBBBI may submit alternative methods to the Department for approval.

G. Flow Measurement

Appropriate flow measurement devices and methods consistent with accepted scientific practices shall be selected and used to ensure the accuracy and reliability of measurements of the quantity of monitored flows. The devices shall be installed, calibrated, and maintained to ensure that the accuracy of the measurements is consistent with the accepted industry standard for that type of device. Frequency of calibration shall be in conformance with manufacturer's recommendations and at a minimum frequency of at least one calibration per year. Calibration records shall be maintained for at least three (3) years.

H. Laboratory Accreditation

All monitoring data required by the Department shall be prepared by a laboratory registered or accredited under the provisions of *Accreditation of Environmental Laboratories*, Chapter 173-50 WAC. Flow, temperature, settleable solids, turbidity, pH, and internal process control parameters are exempt from this requirement. pH shall be accredited if the laboratory must otherwise be registered or accredited. Crops, soils, and hazardous waste testing has not been included in the accreditation program. Crops, soils, and hazardous waste data shall be provided by a lab accredited for similar parameters in water media.

S3. REPORTING AND RECORDKEEPING REQUIREMENTS

The Permittee shall monitor and report in accordance with the following conditions. The falsification of information submitted to the Department shall constitute a violation of the terms and conditions of this permit.

A. Reporting

The first monitoring period begins on the effective date of the permit. Monitoring results shall be submitted monthly. Monitoring data obtained during the previous month shall be summarized and reported on a form provided (DMR) by the Department, and be received no later than the 15th day of the month following the completed reporting period, unless otherwise specified in this permit. Priority pollutant analysis data shall be submitted no later than 45 days following the reporting period. The report(s) shall be sent to the Department of Ecology, Attention: Chris Smith, Northwest Regional Office, 3190 -160th Avenue SE, Bellevue, WA 98008-5452.

Discharge Monitoring Report forms must be submitted monthly whether or not the facility was discharging. If there was no discharge or the facility was not operating during a given monitoring period, submit the form as required with the words "no discharge" entered in place of the monitoring results. NBBBI is required to report any intrusions of marine flow into the treatment system and overflows of the infiltration basin within 24 hours of observation.

B. Records Retention

The Permittee shall retain records of all monitoring and inspections information for a minimum of three (3) years. Such information shall include all calibration and maintenance records and all original recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit. This period of retention shall be extended during the course of any unresolved litigation regarding the discharge of pollutants by the Permittee or when requested by the Director.

C. Recording of Results

For each measurement or sample taken, the Permittee shall record the following information: (1) the date, exact place and time of sampling; (2) the individual who performed the sampling or measurement; (3) the dates the analyses were performed; (4) who performed the analyses; (5) the analytical techniques or methods used; and (6) the results of all analyses.

D. Additional Monitoring by the Permittee

If the Permittee monitors any pollutant more frequently than required by this permit using test procedures specified by Condition S2 of this permit, then the results of this monitoring shall be included in calculation and reporting of the data submitted in the Permittee's self-monitoring reports.

E. Noncompliance Notification

In the event the Permittee is unable to comply with any of the permit terms and conditions due to any cause, the Permittee shall:

1. Immediately take action to stop, contain, and cleanup unauthorized discharges or otherwise stop the violation, and correct the problem;

2. Repeat sampling and analysis of any violation and submit the results to the Department within thirty (30) days after becoming aware of the violation;

3. Immediately notify the Department of the failure to comply; and

4. Submit a detailed, written report to the Department within thirty (30) days, unless requested earlier by the Department, describing the nature of the violation, corrective action taken and/or planned, steps to be taken to prevent a recurrence, results of the resampling, and any other pertinent information.

Compliance with these requirements does not relieve the Permittee from responsibility to maintain continuous compliance with the terms and conditions of this permit or the resulting liability for failure to comply.

F. Maintaining a Copy of This Permit

A copy of this permit shall be kept at the facility and be made available upon request to Ecology inspectors.

S4. OPERATION AND MAINTENANCE

The Permittee shall at all times be responsible for the proper operation and maintenance of any facilities or systems of control installed to achieve compliance with the terms and conditions of the permit.

A. Operations and Maintenance Manual

An *Operations and Maintenance (O&M) Manual* shall be prepared by the Permittee in accordance with WAC 173-240-150 and be submitted to the Department for approval no later than May 1, 2007. This manual shall be updated to conform to the *Stormwater Management Manual for Western Washington* (Ecology, 2001), and this updated permit. The *O&M Manual* shall be reviewed by the Permittee at least annually. The Permittee shall confirm the review by letter and/or a manual update to the Department. All manual changes or updates shall be submitted to the Department for review and approval whenever they are incorporated into the manual. Any changes made in the yard which may effect the stormwater discharge shall be reviewed and updated in the manual. The approved *Operation and Maintenance Manual* shall be kept available at the permitted facility.

The *Operation and Maintenance Manual* shall contain the shipyard facility process control monitoring schedule. All operators shall follow the instructions and procedures of this manual.

In addition to the requirements of WAC 173-240-150(1) and (2), the manual shall include:

1. Treatment vault, filtration system and infiltration system operational controls and procedures;

2. Emergency procedures for facility shutdown and cleanup in event of wastewater system upset or failure;

3. Management plans and structural controls designed to prevent the influx of marine waters into the infiltration system; and

4. Facility maintenance procedures.

B. Bypass Procedures

The Permittee shall immediately notify the Department of any spill, overflow, or bypass from any portion of the treatment system except for flows greater than the 10-year 24-hour storm event.

The bypass of wastes from any portion of the treatment system is prohibited unless one of the following conditions (1, 2, or 3) applies:

1. *Unavoidable Bypass*—Bypass is unavoidable to prevent loss of life, personal injury, or severe property damage. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which would cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass.

   If the resulting bypass from any portion of the treatment system results in noncompliance with this permit, the Permittee shall notify the Department in accordance with Condition S3.E "Noncompliance Notification."

2. *Anticipated Bypass That Has the Potential to Violate Permit Limits or Conditions*—Bypass is authorized by an administrative order issued by the Department. The Permittee shall notify the Department at least thirty (30) days before the planned date of bypass. The notice shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the bypass. The Department will consider the following prior to issuing an administrative order:

   a. If the bypass is necessary to perform construction or maintenance-related activities essential to meet the requirements of the permit.

   b. If there are feasible alternatives to bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, stopping production, maintenance during normal periods of equipment down time, or transport of untreated wastes to another treatment facility.

   c. If the bypass is planned and scheduled to minimize adverse effects on the public and the environment.

   After consideration of the above and the adverse effects of the proposed bypass and any other relevant factors, the Department will approve or deny the request. The public shall be notified and given an opportunity to comment on bypass incidents of significant duration, to the extent feasible.

Approval of a request to bypass will be by administrative order issued by the Department under RCW 90.48.120.

3. B*ypass For Essential Maintenance Without the Potential to Cause Violation of Permit Limits or Conditions*—Bypass is authorized if it is for essential maintenance and does not have the potential to cause violations of limitations or other conditions of the permit, or adversely impact public health as determined by the Department prior to the bypass.

C. Infiltration

1. Wastewater applied to land shall not discharge to any surface waters of the state or to any land not owned by or under control of the Permittee.

2. The wastewater shall not be applied to the infiltration basin in quantities that:

   a. Significantly reduce or destroy the long-term infiltration rate of the soil.

   b. Would cause long-term anaerobic conditions in the soil.

   c. Would produce objectionable odors or support insects or vectors.

   d. Would cause leaching losses of constituents of concern beyond the treatment zone or in excess of the approved design criteria. Constituents of concern are constituents in the wastewater, or soil constituents that would alter ground water quality in amounts that would affect current and future beneficial uses.

Any discharges which would violate any of the conditions above shall be routed to storage tanks or otherwise withheld from the infiltration basin.

S5. MANAGEMENT OF INFILTRATION BASIN SOILS

The basin's metals removal capacity is set forth in the Permittee's Infiltration Basin Soil Management Plan ("Soil Management Plan") submitted to and approved by the Department on October 9, 1998. This plan shall be updated to be consistent with the *Stormwater Management Manual for Western Washington*, August 2001. The Permittee shall manage the basin soils (e.g., soil removal and replacement, or placement of additional soil) in accordance with the Soil Management Plan. On a quarterly basis, the Permittee shall calculate the estimated mass loading of copper and zinc to the infiltration basin in accordance with Special Condition S2B. The Permittee shall notify the Department of the basin soil management method and timing when the metals loading to the soil reaches 80% of the metals removal capacity of the soil for copper or zinc, whichever occurs first.

Soil removal and replacement shall be conducted during the dry season only (i.e., June 15 to September 30) and following the required monitoring for the quarter. The Permittee shall inform the Department of the method and location of disposal of any removed soil. Placement of additional soil shall not reduce the storage capacity necessary to meet the design storm. All new soils added to or used for replacement in the basin shall meet or exceed the 5 meq/100g dry weight soil cation exchange capacity (CEC) design criterion specified in the *Storm Water Management Manual for Western Washington* (Ecology, 2001)**.** All new soils shall be clean fill and not previously exposed to contaminated stormwater runoff from industrial or urban activity. The Permittee shall notify the Department of the source of all new soils.

S6. BEST MANAGEMENT PRACTICES/ POLLUTION PREVENTION

A. Control of Large Solid Materials

Floatable and low density waste, such as wood, plastic, and miscellaneous trash, such as paper, insulation, and packaging, shall be removed from the vessel and crawler or launch system prior to flooding and sinking.

B. Control and Cleanup of Paint Dust and Abrasive Blasting Debris

Dust and overspray shall be confined to the shipyard repair and construction areas to the maximum extent feasible during abrasive blasting and spray painting of vessels and modules. Feasible methods of control include conducting the work in a sandblast/spray paint shed or installing plastic barriers around the vessel. Plastic barriers hung from the vessel or temporary structures around the vessel should be secure and arranged to prevent the fugitive emissions of abrasive grit and dust, as well as effectively capture overspray from spray painting activities. The bottom edge of tarpaulins and plastic sheeting shall be weighted or fastened to remain in place during windy conditions.

Consideration shall also be given to other feasible innovative procedures, as appropriate, to improve the effectiveness of controlling dust emissions and paint overspray. Such innovative methods may include wet abrasive blasting (slurry blasting), product substitution for blasting media, e.g., sodium bicarbonate, or overall waste minimization and recycling, e.g., the use of vacuum return sandblasting heads or steel shot blast technology.

No abrasive blasting or spray painting of vessels shall be performed on unpaved areas of the yard.

Daily cleanup of spent paint, paint chips, protective coating materials, and abrasive grit shall be undertaken as part of the repair or production activities, to the extent maximally feasible, as to prevent their entry into state waters.

Mechanical cleanup may be accomplished by mechanical sweepers, front end loaders, vacuum cleaners, or other innovative equipment and shall be used to clean the yard daily. Manual methods include the use of shovels and brooms.

The yard shall be cleaned on a daily basis to minimize the possibility that stormwater runoff will carry sandblasting grit or other debris into the receiving water. Collected sandblasting debris shall be stored under cover in a designated area with the spent abrasive grit. Innovations and procedures which improve the effectiveness of cleanup operations shall be adopted where they are feasible, appropriate and can be demonstrated as preventing the discharge of solids to water.

C. Oil, Grease, Paint, and Fuel Spills Prevention and Containment

No discharge of oil, other hazardous material, or paint to state waters is allowed. Oil, grease, fuel, or paint spills shall be prevented from reaching drainage systems or surface waters. Cleanup shall be carried out promptly after an oil, grease, fuel, or paint spill is detected. Oil containment booms and absorbents shall be conveniently stored so as to be immediately deployable in the event of a spill. All yard personnel that may participate in cleanup of spills shall be trained in the use and deployment of cleanup equipment.

In the event of an accidental discharge of oil or hazardous material into waters of the state or onto land with a potential for entry into state waters, the Department's Northwest Regional Office Spill Response Section and the United States Coast Guard shall be notified immediately.

1. Cleanup efforts shall commence immediately and be completed as soon as possible, taking precedence over normal work, and shall include proper disposal of spilled material and used cleanup material.

2. Cleanup of oil or hazardous material spills shall be in accordance with an approved spill control plan or according to specific instructions of an on-scene coordinator.

3. No emulsifiers or dispersants are to be used in or upon the waters of the state without prior approval from the Director of the Department of Ecology. Drip pans or other protective devices shall be required for all oil transfer operations to catch incidental spills and drips from hose nozzles, hose racks, drums, or barrels. Oils and fuel storage tanks shall be provided with secondary containment.

D. Paint and Solvent Use and Containment

The mixing of paints and solvents shall be carried out in locations and under conditions such that no spill shall enter state waters.

1. Drip pans or other protective devices shall be required for all paint mixing and solvent transfer operations, unless the mixing operation is carried out in covered and controlled areas away from storm drains, surface waters, shorelines, and piers. Drip pans, drop cloths, or tarpaulins shall be used wherever paints and solvents are mixed. Paints and solvents shall not be mixed on floats.

2. When painting from a float, the quantity of paint on the float shall be one gallon or less. The paint containers shall be kept in drip pans with drop cloths or tarpaulins underneath the drip pans.

3. Paint and solvent spills shall be treated as oil spills and shall be prevented from reaching storm drains and subsequent discharge into the water.

E. Contact Between Noncontact Cooling Water and Yard Debris

Shipboard cooling and noncontact cooling water shall be directed as to minimize contact with spent abrasives, paint chips, and other debris. Contact between spent abrasives or paint chips and water will be reduced by proper segregation and control of wastewater streams. Appropriate methods shall be incorporated to prevent accumulation of debris in drainage systems and debris shall be promptly removed to prevent its discharge with stormwater.

F. Maintenance of Hoses, Soil Chutes, and Piping

Leaking connections, valves, pipes, hoses, and soil chutes carrying either water or wastewater shall be replaced or repaired immediately. Soil chute and hose connections to vessels and to receiving lines or containers shall be tightly connected and as leak free as practicable.

G. Chemical Storage

Solid chemicals, chemical solutions, paints, oils, solvents, acids, caustic solutions and waste materials, including used batteries, shall be stored in a manner which will prevent the inadvertent entry of these materials into waters of the state, including ground water. Storage shall be in a manner that will prevent spills due to overfilling, tipping, or rupture. In addition, the following practices shall be used:

1. All liquid products shall be stored on durable impervious surfaces and within bermed containment capable of containing 110% of the largest single container in the storage area.

2. Waste liquids shall be stored under cover, such as tarpaulins or roofed structures. All waste storage areas, whether for waste oil or hazardous

waste, shall be clearly designated as such and kept segregated from new product storage.

3. Incompatible or reactive materials shall be segregated and securely stored in separate containment areas that would prevent the inadvertent mixing and reaction of spilled chemicals.

4. Concentrated waste or spilled chemicals shall be transported off-site for disposal at a facility approved by the Department of Ecology or appropriate county health authority in accordance with the solid waste disposal requirements of Special Condition S 7. These materials shall not be discharged to any sewer or state waters.

5. Collected sandblasting debris shall be stored under cover in a contained bin.

H. Recycling of Spilled Chemicals and Rinse Water

All metal finishing chemical solution, caustic wash, and rinse water tanks shall be stored in bermed areas with drains to intercept overflows and spills. Any intercepted chemical spill shall be recycled back to the appropriate chemical solution tank or cleaned up and properly disposed of. The spilled material must be handled, recycled, or disposed of in such a manner as to prevent its discharge into state waters. Rinse water from dip tank processes shall not be allowed to enter storm drains or waters of the state.

I. Sediment Traps

The sediment traps in the storm water drainage systems for the yard shall be inspected on a monthly basis and cleaned as necessary to ensure the interception and retention of solids entering the drainage system. Inspection logs and cleaning records must be maintained.

J. Education of Employees, Contractors, and Customers

To facilitate the consistent and effective implementation of the BMPs described above, the Permittee shall develop a program for training its employees, and all contractors who work at the facility, on BMPs and the environmental concerns related to this permit. There are a variety of ways to accomplish this and the Permittee should determine the method that works best for the company. For example, regular safety meetings may be a convenient time to discuss BMP implementation successes or problems and get input on better ways of accomplishing pollution prevention. The Permittee should provide similar information to its customers.

S7. SOLID WASTE DISPOSAL

A. Solid Waste Handling

The Permittee shall handle and dispose of all solid waste material in such a manner as to prevent its entry into state ground or surface water.

B. Leachate

The Permittee shall not allow leachate from its solid waste material to enter state waters without providing all known, available, and reasonable methods of treatment, nor allow such leachate to cause violations of the State Surface Water Quality Standards, Chapter 173-201A WAC, or the State Ground Water Quality Standards, Chapter 173-200 WAC. The Permittee shall apply for a permit or permit modification as may be required for such discharges to state ground or surface waters.

C. Solid Waste Control Plan

The Permittee shall submit all proposed revisions or modifications to the Solid Waste Control Plan to the Department. The Permittee shall comply with any plan modifications. The Permittee shall submit an update of the Solid Waste Control Plan with the application for permit renewal one hundred and eighty (180) days prior to the expiration date of the permit.

S8. ENGINEERING REPORT (FACILITY PLAN) FOR NEW WASTEWATER TREATMENT SYSTEM

The permittee shall design the wastewater treatment system to meet AKART or water quality standards whichever is most stringent. The new design shall meet the requirement for the Stormwater Manual for Western Washington, 2001, except for the design storm which will be the 10-year 24-hour. The engineered design shall not contribute flow or seeps to Holmes Harbor or the adjacent wetlands except when precipitation exceeds the 10-year 24-hour design storm. No later than May 1, 2006 but may be earlier based on the Compliance schedule in S.11 below, two (2) copies of an approvable engineering report shall be prepared by the Permittee in accordance with WAC 173-240 and submitted to the Department for review and approval.

S9. SPILL PLAN

The Permittee shall by May 1, 2007, submit to the Department an update to the existing spill control plan. The Permittee shall review the plan at least annually and update the spill plan as needed. Changes to the plan shall be sent to the Department. The plan and any supplements shall be followed throughout the term of the permit.

The updated spill control plan shall include the following:

- A description of operator training to implement the plan.

- A description of the reporting system which will be used to alert responsible managers and legal authorities in the event of a spill.
- A description of preventive measures and facilities (including an overall facility plot showing drainage patterns) which prevent, contain, or treat spills of these materials.
- A list of all oil and petroleum products, materials, which when spilled, or otherwise released into the environment, are designated Dangerous Waste (DW) or Extremely Hazardous Waste (EHW) by the procedures set forth in WAC 173-303-070, or other materials which may become pollutants or cause pollution upon reaching state's waters.
- Plans and manuals required by 40 CFR Part 112, contingency plans required by Chapter 173-303 WAC, or other plans required by other agencies which meet the intent of this section may be submitted.

S10. GROUND WATER QUALITY EVALUATION (HYDROGEOLOGIC STUDY)

If ground water standards are exceeded, NBBBI shall evaluate the impacts of its activities on ground water quality by completing: a scope of work for a ground water quality evaluation study, and a report of study results and ongoing monitoring consistent with permit Condition S3 and S11. In order to insure compliance with the anti-degradation standard, ambient ground water quality shall be measured so a comparison between facility effluent and ambient ground water quality can be assessed. If it is determined that NBBB exceeds groundwater quality standards for total dissolved solids an AKART study will be required and the conditions under WAC 173-200-050 ((3)(b)(vi) shall be satisfied.

A. NBBBI shall submit a scope of work to the Department for a ground water quality evaluation study in conformance with the compliance schedule in S11 below and at the proposed wastewater application site, in accordance with WAC 173-200-080. The scope of work will conform to *Chapter 4.0 Hydrogeologic Study, Implementation Guidance for the Ground Water Quality Standards, April 1996.*

B. Upon approval of the scope of work by the Department, the Permittee shall conduct a study to determine site specific hydrogeologic conditions, quality control protocols, a sampling plan and sampling protocols. The Permittee shall submit a report of the results within sixty (60) days of approval of the scope of work.

S11. COMPLIANCE SCHEDULE

NBBBI must be in compliance with AKART, surface water and ground water quality standards, whichever are applicable, by May 1, 2007. In order to design the new wastewater treatment system that will meet all surface and ground water quality standards, shall not discharge to surface water and that will meet the 10-year, 24-hour design storm, the Permittee shall implement the following Compliance Schedule:

TIER 1

Construct an appropriate barrier to prevent run-on of tidal marine water into the shipyard and in the stormwater collection system.	September 15, 2004
Submit plan for lateral under-drain collectors	August 30, 2004
Install lateral underdrain collectors	September 30, 2004
Monitor effluent for one year-2/month	September 30, 2005

(a) If representative samples cannot be obtained due to marine water intrusion or demonstration of surface water presence, NBBBI shall submit an engineering plan in conformance of Condition S.8 with the following schedule:

Submit Final Engineering Report	July 30, 2005
Begin Construction	March 30, 2006
Complete Construction	June 30, 2006

(b) If the effluent meets surface water and ground water standards, continue monitoring for compliance of standards and implement Tier 4.

(c) If effluent does not meet surface water standards but meets ground water standards, implement Tiers 2 and 4.

(d) If effluent meets surface water standards but not ground water standards, implement Tiers 3 and 4.

(e) If effluent does not meet surface and ground water standards, implement Tiers 2, 3 and 4.

TIER 2

If the effluent does not meet surface water quality standards, NBBBI must perform a Hydrologic Connectivity Test to evaluate whether there is a connection between the effluent flowing into ground water and surface or tidal waters. The compliance schedule is based on the first violation of surface water quality standards and is as follows:

Submit testing plan for approval	Within one month of violation
Complete test	Within three months of approval

a) If there is a hydrologic connection between the infiltration basin effluent and either marine tidal waters or adjacent wetland waters NBBBI shall submit a receiving water quality study by January 15, 2006 in addition to a completed Shoreline Permit and SEPA Decision, and submit an NPDES permit application by July 1, 2006 and complete Tier 4. This permit does not authorize discharges to surface waters.

b) If there is no hydrologic connection between the infiltration basin effluent and surface waters of the state, NBBBI shall complete Tier 3, if applicable, and Tier 4.

TIER 3

If the effluent does not meet ground water quality standards, NBBBI must perform a Hydrogeologic Study to evaluate potential effluent impacts on ground water. The compliance schedule is based on the first violation of surface water quality standards and is as follows:

Hydrogeolgic Study-scope of work due	Within one month of violation
Study Results Report	Within one year of approval

T**IER 4**

Design and construct the new treatment facility per Condition S8. above with the following schedule :

Submit Final Engineering Report and construction specifications based upon shipyard expansions plan	May 1, 2006
Revise and modify SWPPP& other required plans	May 1, 2007
Begin Construction of new stormwater treatment system and diffuser outfall or upgradient infiltration system	June 15th, 2007
Complete Construction of new stormwater treatment system and diffuser outfall or upgradient infiltration system	September 15, 2007.

Construction of the wastewater facility shall conform to an approved "Engineering Stormwater Collection and Treatment System Design." Nichols Brothers Boat Builders shall submit to the Department for approval a revised engineering report for any significant change in the treatment technology.

S12. POLLUTION PREVENTION PLAN

The definitions of terms used in this section are provided in the guidance document entitled *Stormwater Pollution Prevention Planning for Industrial Facilities*, which is published by the Department of Ecology.

A. <u>Plan Development Deadlines</u>

The Permittee shall develop, implement, and comply with a SWPPP in accordance with the following schedule:

1. By May 7, 2007 develop a SWPPP and retain it on-site.

2. By April 5, 2005, complete the implementation of *operational BMPs* and applicable *source control BMPs*, as required under this Special Condition, which do not require *capital improvements*.

3. Complete the implementation of BMPs requiring capital improvements following completion of the AKART analysis.

The guidance for development of a SWPPP is available from the Permit Coordinator, NWRO Regional Office, 3190 160th Ave. SE, Bellevue, Washington 98008-5452.

B. General Requirements

1. Submission, Retention and Availability:

The Permittee shall submit a copy of the SWPPP to the Department by May 1, 2007 for review and comment. If stormwater discharge is to a municipal storm sewer system, submit a copy of the SWPPP to the municipal operator of the storm sewer system. Retain the SWPPP on-site or within reasonable access to the site.

2. Modifications:

The Permittee shall modify the SWPPP whenever there is a change in design, construction, operation or maintenance which causes the SWPPP to be less effective in controlling the pollutants. Whenever the description of potential pollutant sources or the pollution prevention measures and controls identified in the SWPPP are inadequate, the SWPPP shall be modified, as appropriate, within two (2) weeks of such determination.

The proposed modifications to the SWPPP shall be submitted to the Department at least 30 days in advance of implementing the proposed changes in the plan unless Ecology approves immediate implementation. The Permittee shall provide for implementation of any modifications to the SWPPP in a timely manner.

3. The Permittee may incorporate applicable portions of plans prepared for other purposes. Plans or portions of plans incorporated into a SWPPP become enforceable requirements of this permit.

4. The Permittee shall prepare the SWPPP in accordance with the guidance provided in the *Stormwater Pollution Prevention Planning for Industrial Facilities*. The plan shall contain the following elements:

a. Assessment and description of existing and potential pollutant sources,

b. A description of the operational BMPs,

c. A description of selected source-control BMPs,

d. When necessary, a description of the erosion and sediment control BMPs,

e. When necessary, a description of the treatment BMPs, and

f. An implementation schedule.

C. Implementation

The Permittee shall conduct two inspections per year; one during the wet season (October 1 - April 30) and the other during the dry season (May 1 - September 30).

1. The wet season inspection shall be conducted during a rainfall event by personnel named in the Stormwater Pollution Prevention Plan (SWPPP) to verify that the description of potential pollutant sources required under this permit is accurate; the site map as required in the SWPPP has been updated or otherwise modified to reflect current conditions; and the controls to reduce pollutants in stormwater discharges associated with industrial activity identified in the SWPPP are being implemented and are adequate. The wet-weather inspection shall include observations of the presence of floating materials, suspended solids, oil and grease, discoloration's, turbidity, odor, etc. in the stormwater discharge(s).

2. The dry season inspection shall be conducted by personnel named in the SWPPP. The dry season inspection shall determine the presence of unpermitted non-stormwater discharges such as domestic wastewater, noncontact cooling water, or process wastewater (including *leachate*) to the *stormwater drainage system*. If an unpermitted, non-stormwater discharge is discovered, the Permittee shall immediately notify the Department.

D. Plan Evaluation

The Permittee shall evaluate whether measures to reduce pollutant loadings identified in the SWPPP are adequate and properly implemented in accordance with the terms of the permit or whether additional controls are needed. A record shall be maintained summarizing the results of inspections and a certified that the facility is in compliance with the plan and this permit and identifying any incidents of noncompliance.

GENERAL CONDITIONS

G1. SIGNATORY REQUIREMENTS

All applications, reports, or information submitted to the Department shall be signed as follows:

A. All permit applications shall be signed by either a principal executive officer or ranking elected official.

B. All reports required by this permit and other information requested by the Department shall be signed by a person described above or by a duly authorized representative of that person. A person is a duly authorized representative only if:

1. The authorization is made in writing by the person described above and is submitted to the Department at the time of authorization, and

2. The authorization specifies either a named individual or any individual occupying a named position.

C. Changes to authorization. If an authorization under paragraph B.2, above, is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization must be submitted to the Department prior to or together with any reports, information, or applications to be signed by an authorized representative.

D. Certification. Any person signing a document under this section shall make the following certification:

"I certify under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system or those persons directly responsible for gathering information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

G2. RIGHT OF ENTRY

Representatives of the Department shall have the right to enter at all reasonable times in or upon any property, public or for the purpose of inspecting and investigating conditions relating to the pollution or the possible pollution of any waters of the state. Reasonable times shall include normal business hours; hours during which production, treatment, or discharge occurs; or times when the Department suspects a violation requiring immediate inspection. Representatives of the Department shall be allowed to have access to, and copy at reasonable cost, any records required to be kept under terms and conditions of the permit; to inspect any monitoring equipment or method required in the permit; and to sample the discharge, waste treatment processes, or internal waste streams.

G3. PERMIT ACTIONS

This permit shall be subject to modification, suspension, or termination, in whole or in part by the Department for any of the following causes:

A. Violation of any permit term or condition;

B. Obtaining a permit by misrepresentation or failure to disclose all relevant facts;

C. A material change in quantity or type of waste disposal;

D. A material change in the condition of the waters of the state; or

E. Nonpayment of fees assessed pursuant to RCW 90.48.465.

The Department may also modify this permit, including the schedule of compliance or other conditions, if it determines good and valid cause exists, including promulgation or revisions of regulations or new information.

G4. REPORTING A CAUSE FOR MODIFICATION

The Permittee shall submit a new application, or a supplement to the previous application, along with required engineering plans and reports, whenever a new or increased discharge or change in the nature of the discharge is anticipated which is not specifically authorized by this permit. This application shall be submitted at least sixty (60) days prior to any proposed changes. Submission of this application does not relieve the Permittee of the duty to comply with the existing permit until it is modified or reissued.

G5. PLAN REVIEW REQUIRED

Prior to constructing or modifying any wastewater control facilities, an engineering report and detailed plans and specifications shall be submitted to the Department for approval in accordance with Chapter 173-240 WAC. Engineering reports, plans, and specifications should be submitted at least one hundred and eighty (180) days prior to the planned start of construction. Facilities shall be constructed and operated in accordance with the approved plans.

G6. COMPLIANCE WITH OTHER LAWS AND STATUTES

Nothing in the permit shall be construed as excusing the Permittee from compliance with any applicable federal, state, or local statutes, ordinances, or regulations.

G7. DUTY TO REAPPLY

The Permittee must apply for permit renewal at least one hundred and eighty (180) days prior to the specified expiration date of this permit.

G8. PERMIT TRANSFER

This permit is automatically transferred to a new owner or operator if:

A. A written agreement between the old and new owner or operator containing a specific date for transfer of permit responsibility, coverage, and liability is submitted to the Department;

B. A copy of the permit is provided to the new owner; and

C. The Department does not notify the Permittee of the need to modify the permit.

Unless this permit is automatically transferred according to Section A, above, this permit may be transferred only if it is modified to identify the new Permittee and to incorporate such other requirements as determined necessary by the Department.

G9. PAYMENT OF FEES

The Permittee shall submit payment of fees associated with this permit as assessed by the Department. The Department may revoke this permit if the permit fees established under Chapter 173-224 WAC are not paid.

G10. PENALTIES FOR VIOLATING PERMIT CONDITIONS

Any person who is found guilty of willfully violating the terms and conditions of this permit shall be deemed guilty of a crime, and upon conviction thereof shall be punished by a fine of up to ten thousand dollars and costs of prosecution, or by imprisonment in the discretion of the court. Each day upon which a willful violation occurs may be deemed a separate and additional violation.

Any person who violates the terms and conditions of a waste discharge permit shall incur, in addition to any other penalty as provided by law, a civil penalty in the amount of up to ten thousand dollars for every such violation. Each and every such violation shall be a separate and distinct offense, and in case of a continuing violation, every day's continuance shall be and be deemed to be a separate and distinct violation.